

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industries & Commerce Department – Andhra Pradesh Logistics Policy 2022-2027 – Orders – Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.23

Dated: 16.05.2022

Read the following:

1. G.O.Ms.No.20, Ind. & Comm. (Infra) Department, dated 09.05.2022.
2. Minutes of the State Investment Promotion Board meeting held on 12.5.2022

O R D E R:

India's Logistics and supply chain costs currently amount to a staggering US\$400 billion, up to 14% of the GDP, compared to the global average of 8%.

2. In order to reduce logistics cost to 8-9% of GDP., by improving supply chain efficiencies, Government of India formulated PM-Gatishakti, National Master Plan for providing Multi Modal connectivity to various Economic Zones by holistically integrating the interventions of various Central Ministries and State Government Departments to ensure seamless movement of people, goods and services to make the businesses competitive, boost economic growth, attract foreign investments and enhance the country's global competitiveness.

3. In this context, states play a critical role in lowering overall logistics costs by establishing an enabling policy, regulatory, and institutional framework for the logistics sector. This will improve logistics efficiency, making the States' industrial products and services more competitive globally and increasing their share in India's trade basket.

4. State Investment Promotion Board in its meeting held on 12.05.2022 has approved the AP Logistics Policy 2022-27 as per the recommendations of State Investment Promotion Committee meeting held on 11.05.2022.

5. Accordingly, Government after careful examination of the matter, hereby notifies "Andhra Pradesh Logistics Policy 2022-27" as appended in Annexure-I, in line with the initiatives of DPIIT, Government of India with an aim to address infrastructure gaps in logistics & supply chain in the State through a well-equipped institutional framework to bring in transparency and accountability that improve logistics ease, as well as to bring private participation to develop green, sustainable development. The salient features of policy are as follows:

I. Preparation of State Logistic Plan

Government will prepare a State Logistic Plan duly mapping the existing and upcoming logistical facilities throughout the state, which include all modes of transport, aligning with the National Master Plan. Based on the State Plan, annual plans will be prepared based on the priority of projects.

II. Creation of Institutional mechanism

In line with the guidelines issued by GoI under PM GatiShakti, the following institutional set-up is proposed to be established to bring all the Stakeholder Departments under one umbrella for integration of logistic infrastructure and services.

- i. Empowered Group of Secretaries will be constituted under the Chairmanship of Chief Secretary with Special Chief Secretary to Government, Industries and Commerce, Infrastructure and Investment as Member Convener with all the Stakeholder Departments as members.

P.T.O

- ii. State Network Planning Group (NPG) will be set-up with all the Head of the Stakeholder Departments as members, for unified planning and integration of the proposals and assist the EGoS.
- iii. Technical Support Unit (TSU) will be established with experts/officers from the 7 Departments (Transport Planner, Roads and Highways, Railways, Ports/maritime, Aviation, Civil & Structural, Power, Pipeline), with the required experience in the subject domain.
- iv. State Logistic Cell - A State Logistic Cell will be established in the Industries and Commerce Department under Commerce Wing, headed by a Director, a time scale officer. The SLC shall serve as a liaison between the Logistics Division (LD) at the Centre and the EoGS at the State, and provides secretarial support to EoGS. The State Logistic Cell will be supported by City Logistics Cells (CLC).
- v. City Logistic Cells (CLCs)- City Logistic Cells are city level working groups under State Logistics Cell and all CLCs will be under jurisdiction of MA&UD. The cells are responsible for preparation of City Plans and assist SLCs in framing of City Logistic Plans and take control of operationalization of the plans.

III. Development of Enabling Infrastructure

GoAP proposes to develop the enabling infrastructure, as per the State Master Plan duly dovetailing the various schemes of GoI and also inviting private participation, wherever required. These infrastructure projects include:

- i. Transport Infrastructure: Roadways, Railways, Airways, Port Infrastructure, Greenfield Fisheries Harbours, and Development of Inland Waterways.
- ii. Development Of Multi Modal Logistic Parks.
- iii. Developing Ware Housing Capacity.
- iv. Developing Cold Storage Chain.
- v. Inland Container Depots.
- vi. Free Trade Warehousing Zones (FTWZ).
- vii. Development of Gas Distribution Network

IV. Regulatory framework and Digital Interventions

- i. Logistic Ease: GoAP will endeavor to streamline and simplify various laws and regulations and bring all approvals /clearances related to the logistic sector under EoDB.
- ii. Creation of Testing Facilities and Certifications to reduce the time for sample testing, to improve competitiveness of marine exports etc.
- iii. Technology Enablement - A Command and Control Center (ICCC) will be setup integrating all IT application to reduce the number of Physical Checks, induce transparency, accountability, track & trace and for hassle-free movement of men and material.

V. Skill Development

AP Skill Development Corporation will identify the required skill sets of the logistic sector and ensure continuous supply of workforce by training them in the proposed Skill Universities and world class skill colleges. Start-up Companies will also be encouraged to drive overall innovation and efficiency in the logistic Sector.

VI. Fiscal Incentives

In order to increase Private Participation in the development of logistic infrastructure such as Warehouses, ICD, Cold Storages, FTZ, MMLPS Government of Andhra Pradesh proposes to extend the following incentives /facilities.

- 1) 5% of the area will be earmarked for development logistic facilities in upcoming Industrial Parks/Hubs.
- 2) All clearances /Approvals will be provided through Single Desk
- 3) The state accords the status of "Industry" to the Logistics and Warehousing Sector.
- 4) 100 % Stamp duty reimbursement on land registration.
- 5) Re-imbursement of 75% of the amount spent on patent registration limited to Rs 5 lakh for domestic and Rs 10 lakh for international patent.
- 6) All other incentives as per IDP 2020-23.

VII. Mega Projects with investment more than Rs.500 Crore or providing employment to more than 1000 people, which are strategic for development of logistic sector in the State, will be considered for Tailor-made incentives.

5. The Director of Industries, Mangalagiri, the VC&MD, APIIC, Mangalagiri and VC&MD, INCAP shall take further necessary action accordingly.

6. This order is issued with the concurrence of Finance (FMU - I&I, Energy, and I&C) Department, vide their U.O.No.FIN01-FMU0MISC/279/2022-FMU-IIEIC (Computer No.1722175) dated 11.05.2022.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To

The VC& MD, APIIC Ltd., Mangalagiri.

The Director of Industries, Mangalagiri.

The Principal Secretary to Govt., Finance.

The Secretary, DPIIT, Ministry of Commerce and Industry Government of India.

The Special Chief Secretary to Govt. Agriculture & Cooperation.

The Special Chief Secretary to Govt., Revenue (CT, Excise, R&S).

The Special Chief Secretary, Industries & Commerce, I&I.,

The Special Chief Secretary to Government, Animal Husbandry, Dairy Development, Fisheries Department.

The Special Chief Secretary to Government, Tourism and Culture Department.

The Principal Secretary to Govt., Transport, Roads & Building.

The Principal Secretary to Govt., MA & UD.

The Principal Secretary to Govt., Skill Development & Training.

The Principal Secretary to Government, Mines Department.

The Secretary, Food Processing & Sugar.

The Secretary to Government, Consumer Affairs, Food and Civil supplies.

The Secretary to Govt., Water Resources Department

Concerned Spl. Chief Secretary/ Prl. Secretary /Secretary to Govt., whenever required).

The General Manager of the Railway zone concerned,

The General Manager, BSNL, AP.

The Commissioner, Road Transport, AP.

The Director of Industries, AP.

The Chief Engineer (R&B), AP.

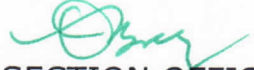
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The Chief Commissioner, State Taxes, AP.
The Director of Municipal Administration, AP.
The Commissioner, Marketing, Agriculture Dept., AP.
The Commissioner, Fisheries, AP.
The CEO, AP Tourism Authority, AP.
The Director of Mines, AP.
The CEO, AP Food Processing Society.
The CMD, APTRANSCO, Vidyut Soudha, Gunadala, Vijayawada.
The Chief Engineer, Water Resources Department.
The Commissioner, Consumer Affairs, Food and Civil Supplies.
The VC & MD, INCAP.
The Joint Secretary, Finance Department.
Representatives of the Railway zone concerned.
The DGM, BSNL, AP.
The CEO, Maritime Board.

Copy to:

The P.S. to Special Chief Secretary to C.M., A.P. Secretariat, Velagapudi.
The G.A. (Cabinet) Department, A.P. Secretariat, Velagapudi.
(with reference to U.O.No.139/2022, dt.12.05.2022).
The P.S. to Hon'ble Minister Ind. & Com, A.P. Secretariat, Velagapudi.
The P.S. to Chief Secretary to Government, A.P. Secretariat, Velagapudi.
The P.S. to Spl. CS to Govt. & CIP., A.P. Secretariat, Velagapudi.
SC/SF.

// Forwarded:: By Order //


SECTION OFFICER



ANNEXURE - I

ANDHRA PRADESH LOGISTICS POLICY 2022-27

I. INTRODUCTION

Logistics sector play an important role in the Indian economy and also generate huge employment and attract foreign investments. However, logistics sector is highly fragmented, with more than 20 government Departments and 40 partnering government agencies. There is urgent need to connect and integrate different modes of transport for seamless and efficient connectivity to save time and money through a *business-friendly processes and services*.

Government of India announced the PM-Gati Shakti National Master Plan initiatives with a main objective to holistically integrate the interventions of various Central Ministries and State Government Departments and address missing gaps to ensure seamless movement of people, goods and services to make the businesses competitive, boost economic growth, attract foreign investments and enhance the country's global competitiveness.

Government of India has set-up Logistics Division under Ministry of Commerce and Industry, which is poised to streamline logistics services and related infrastructure development in the country with the support from the States, with an intention to reduce logistics cost and de-congest cities from freight carriers.

II. ABOUT ANDHRA PRADESH

Andhra Pradesh is one of the significant gateways for trade and commerce on the Indian East Coast. The coastal state has the second longest coastline in the peninsula with a length of 974 Km. Andhra Pradesh has always been at the forefront of economic growth in India contributing 4.6% of India's GDP and 5.8% of India's exports in FY 20-21. The state ranked 1st in Ease of Doing Business for three consecutive years due to government's commitment to provide investor friendly policies, conducive business environment by developing strong regulatory framework and provisioning robust industrial infrastructure to propel the state on the path of rapid industrialization.

The state has rich natural resources, fertile alluvial soils from river deltas of Krishna, Godavari. Proximity to ports, well connected road (13,500 KM SHs and 7 % of the country's NH of 7,340 km) and rail (more than 4% of country's railway network of 7,715 Km) cuts through Andhra Pradesh, and air connectivity and availability of abundant water resources makes the State attractive for industries. Industries contribute 22% of State GDP, while agriculture and services sectors contribute 36% and 42% respectively.

AP contributes to 5.8% of total Indian exports. The exports during 2021 - 22 (upto to Nov 21), stands at 22.88 Billion, recording a **growth rate of 36%** over the previous year. AP stands in 2nd position next to Gujarat in exports performance pillar.

The State has **Fourth Largest** warehousing capacity of 13.38 Lakh MT, accounting to 8.8% and **Fifth Largest** cold storage capacity of 15.67 Lakh MT, 3 Inland Container Depots (ICDs) and 17 Container Freight Stations (CFSs), 5 Air Cargo Terminals, 283 Rail Road Goods Sheds with 16 Logistic Training Centres, coupled with 4 Agri Export Zones (AEZ), 25 Special Economic Zones (SEZ) & 70 Export Oriented Units (EOUs), providing strong eco-system for exports. For the past three years, Andhra Pradesh consistently ranks third largest state in terms of cargo traffic (173 MMT) handled at the ports, after Gujarat and Maharashtra.

The state of Andhra Pradesh in line with Government of India's plans is formulating Integrated Logistics Policy. The Policy aims to address infrastructure gaps in logistics & supply chain in the State that are required to promote trade from the East Coast, create institutional framework to bring in transparency and accountability in development projects that enhance logistics ease and bring in private participation to develop green, sustainable and energy efficient logistics ecosystem.

III. VISION

To connect and integrate different modes of transport for seamless and efficient connectivity to save time and money through a *business-friendly processes and services*.

IV. STRATEGIES

The State through the policy aims to achieve the vision through the following strategies

1. Creation of institutional mechanism
2. Enabling Infrastructure development
3. Regulatory support and Technology Enablement
4. Skill Development
5. Incentivizing Private Sector Participation

1. Creation of Institutional Mechanism

Government of AP will set-up the following Institutional structure for Preparation of Master Plan for the State / City Logistics, providing actionable program strategies to align the State with National Logistics Policy, to review and monitor implementation of the Plan to ascertain the logistics efficiency accruing there from.

- i. **Empowered Group of Secretaries** will be constituted under the Chairmanship of Chief Secretary with Special Chief Secretary to Government, Industries and Commerce, Infrastructure and Investment as Member Convener with all the Stakeholder Departments, as members for monitoring the master plan and approving any changes in the Master plan to meet any emerging requirements.
- ii. **State Network Planning Group (NPG)** will be set-up with all the Head of the Stakeholder Departments as members, for unified planning and integration of the proposals and assist the EGoS
- iii. **Technical Support Unit (TSU)** will be established with experts/officers from the Departments concerned with the required experience in the subject domain.
- iv. **State Logistic Cell** - A State Logistic Cell will be established in the Industries and Commerce Department under Commerce Wing, headed by a Director level officer. The SLC shall serve as a liaison between the Logistics Division (LD) at the Centre and the EoGS at the State, and shall provide secretarial support to EoGS. The State Logistic Cell will be supported by City Logistics Cells (CLC).
- v. **City Logistic Cells (CLCs)** - City Logistic Cells are city level working groups under State Logistics Cell and all CLCs will be under jurisdiction of MA&UD. The cells are responsible for preparation of City Plans and assist SLCs in framing of City Logistic Plan and its implementation.

2. Development of Enabling Infrastructure

PM GatiShakti- National Master Plan (NMP) will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic park, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity & make Indian businesses more competitive. PM GatiShakti is a transformative approach for economic growth and sustainable development through 7 engines - Railways, Roads, Ports, Waterways, Airports, Mass Transport, and Logistics Infrastructure. In line with the Policy, the following initiatives will be taken-up towards the achieving the vision of the Policy

2.1. Preparation of State Logistic Plan

- Government will prepare a State Logistic Plan duly mapping the existing and upcoming logistical facilities throughout the state, which include all modes of transport, aligning with the National Master Plan.
- The areas of intervention, improvement, and development will be identified based on the present and future needs for both State and Central domain.

- The capacity and efficiency facilities will be taken into account when mapping the facilities.
- The action plan will be broken into Annual Plans, based on the priority of the interventions/improvements /development of projects, to be taken-up.
- The bottle-necks /challenges already identified will be attended to on priority basis.

2.2. Enabling Transportation Infrastructure

A. ROADWAYS

1. To mitigate the existing challenges in Road network on immediate basis, GoAP will attend to the following item of works on priority basis to ensure hassle-free logistic movement:

Strengthening of the road stretches connecting to Ports, Industrial Clusters and Major cities. The strengthening works related to National Highways will be taken up with MoRTH for expeditious implementation. (Example: Vijayawada to Visakhapatnam via Rajahmundry).

- To redress frequent congestion between Ports to warehouses, Container freight stations along NH-65 due to heavy movement of container trailers.
- Widening of Internal roads in the districts particularly the approach roads connecting to the ports and to various Container Terminals.
- Further, to ensure faster movement of men and material, develop by pass roads around major cities to ensure connectivity to the major existing and upcoming industrial clusters and nodes falling under Vizag - Chennai Industrial Corridor, Chennai- Bangalore Industrial Corridor and the Hyderabad-Bangalore Industrial Corridor will be taken -up as per the State Logistic Plan.
- To explore the possibility of establishing a Driver Training Institute in the State dovetailing the Government of India Schemes to impart the required skill sets to make them job-ready.
- Truck Parking Bays (TPBs) - GoAP will identify land parcels, along National Highways 16, 65, 48 & 44 for the stretch falling in AP territory to establish truck-parking terminals with basic amenities for drivers on Build – Operate – Transfer (BOT) model, TPB shall have facilities including Fuel Stations, Eateries and rest places for the Heavy Vehicle drivers, Repair services, Stuffing/ De-stuffing Zone, Warehouse etc.

B. RAILWAYS

- 1) The congestion in railway routes connecting Visakhapatnam-Sambalpur and Raipur-Vizianagaram line will be immediately taken-up with GoI for its redressal being a major bottleneck.
- 2) GoAP will expedite development of Government of India approved Two (02) major Dedicated Freight corridors in the Budget 2021 in close coordination Dedicated Freight Corridor Corporation of India Limited (DFCCIL) in completion of the projects on time.
 - i. East Coast Corridor from Kharagpur to Vijayawada (1,115 Km)
 - ii. North South Sub-Corridor Vijayawada-Nagpur-Itarsi.(975 Km)
- 3) GoAP will take-up with Railway authorities for railway connectivity to major Industrial clusters /Hubs such as Kopparthy Mega Industrial Hub, Srikalahasti, Orvakal Mega Industrial Hub etc including the rail connectivity required as per the State Master Plan
- 4) For smooth transfer of Cargo from Rail to road, Government of Andhra Pradesh (GoAP) will assist Indian Railways in converting the handling type at rail terminals from Manual to Mechanical for the broad guage lines falling under Guntakal, Vijayawada & Guntur Divisions.

C. AIRWAYS

1) Upgradation of Existing Airports

The State of Andhra Pradesh has a total of 07 Airports of which 05 are under operational jurisdiction of the Airport Authority of India (AAI), 01 at Kurnool is operated by Andhra Pradesh Airports Development Corporation Limited (APADCL) & 01 at Puttaparthi under the Satya Sai Charitable Trust. Out of 05 AAI Airports, Visakhapatnam, Vijayawada & Tirupati are International Airports. The others are Rajahmundry & Kadapa which are Domestic Airports. Apart from the above, Donakonda Airstrip, Prakasham District (under AAI), Nagarjuna Sagar Airstrip, Palnadu District (under Irrigation Department, GoAP) and Tadepalligudem Airstrip, Narsapur (under Air Force) are being considered under the Small Aircrafts Scheme of Ministry of Civil Aviation (targeting smaller aircrafts along with policy and scheme on Heliports across the state.

The APADCL is currently planning to upgrade the airport infrastructure like construction of Hangers & other Aviation infrastructure for its Airport, modernize the airport facilities for the category of international Hub and building multi-modal linkages by integrating with the existing transport infrastructure. private participation will be encouraging to develop the aeronautical & non aeronautical facilities and also promote aviation in upcoming towns for connecting to the potential hubs.

2) Development of New Airports

The Bhogapuram International Airport Limited is implementing new Visakhapatnam Airport under Public Private Partnership mode (DBFOT) in an area of 2,203.26 Acres with the project costing around 2,302 Crores (FY 2016-17 estimates). The initial capacity of the airport shall be 6 MPPA (million passengers per annum), 18 aircraft stands with 7 Aerobridges and planned for Ultimate capacity of 30 MPPA, 88 aircraft stands with 31 Aerobridges. Other facilities include are Runway: 3800 Mtrs x 45 Mtrs MRO Facility, Aviation Academy, Cityside Development.

Dagadarthi Airport, is proposed to be developed in an area of 1,868 acres in Nellore District to handle ATR, Airbus A-320/Neo and Boeing B-737-900 along with Terminal with a Peak hour traffic (pax) of 610 passengers in Phase I. The Airport will also be developed as Aqua Exports Hub for handling Cargo and Cold Storages.

D. PORT INFRASTRUCTURE

- 1) GoAP is extensively working towards port-led industrialization and leveraging the segments of national economic corridors i.e. Vizag-Chennai Industrial Corridor (VCIC), Chennai Bangalore Industrial Corridor (CBIC) and Hyderabad Bangalore Industrial Corridor (HBIC), its long ~1000 km coast line, rich resources and proactive governance.
- 2) The expected direct investments required for port-led development is around INR 20,000 Cr. (~USD3 billion) to achieve the proposed AP Maritime Vision 2030 targeting to add 4 greenfield ports, triple the cargo handling capacity, add LNG, and cruise terminals. The state is promoting 'blue economy' focusing on economic opportunities related to ocean and marine ecosystems which play an important role in generating and sustaining livelihoods.
- 3) We have already developed three non-major ports at (1) Gangavaram, (2) Kakinada Deep Water Port and (3) Krishnapatnam. To further support regional industrial development, GoAP has proposed to take up development of following:

Greenfield Non-Major Ports at:

- i. Ramayapatnam Port, Prakasam District
- ii. Bhavanapadu Port, Srikakulam District
- iii. Machilipatnam Port, Krishna District
- iv. Kakinada SEZ port in East Godavari (Private Port)

Nine Greenfield Fisheries Harbours, Coastal Berths and Marine Processing Zones at:

- i. Juvvaladinne, Nellore District,
- ii. Uppada, East Godavari District
- iii. Nizampatnam, Guntur District
- iv. Machilipatnam, Krishna District
- v. Kothapatnam, Prakasam District

- vi. Biyyaputhippa, West Godavari District
- vii. Pudimedaka, Visakhapatnam District
- viii. Budagatlapalem, Srikakulam District
- ix. Vodarevu, Prakasam District

- 4) AP Maritime Board will assist all the new and existing ports to be integrated with a **SMARTPORT portal** to ensure hassle-free, transparent, accountable and speedy service delivery in the ports (including those under public-private partnership initiative) and augment trade and export promotion in the state

E. DEVELOPMENT OF INLAND WATERWAYS

To promote and implement Inland Water transport system in line with National water ways. AP has got 888 km of National Waterway network available within the state. 27 locations identified as prioritized terminals, the estimated cargo traffic of NW-4 is 5 MT with a potential to handle 10 MT by 2029 and 20 MT by 2059. The investments are planned around creation of passenger terminal, modern inland cargo terminals, and navigational infrastructure.

2.3. DEVELOPMENT OF MULTI MODAL LOGISTIC PARKS

The Multi Model parks will serve four key functionalities that include Freight aggregation and distribution, Multi modal freight transportation, Storage & Warehousing and value-added services such as customs clearance, bonded storage yards, warehousing management and container management services etc.

1. Gol Sanctioned MMLPs

Gol sanctioned two Multi Model Logistic Parks at Visakhapatnam and Ananthapur with the support of Government of India, to capitalize on opportunities and position Andhra Pradesh as a hub of logistics in South East India, which will be expedited in time-bound manner. One MMLP at Kadapa with the support of Gol will be pursued

2. MMLPs in APIIC land

In addition to the above, APIIC will identify land and invite tenders on H1 basis (rent on Land) for development of the Logistics park on Design – Build – Finance – Operate - Transfer (DBFOT) model. The land will be provided by APIIC on lease for a period of 66 years for the developers to build, operate and Transfer. Contract terms will be re-negotiated at the end of the lease period.

3. MMLPs through Private Participation

Four industrial Nodes Orvakal Node (7,800 Acres), Hindupur Node (10,700 Acres), Donakonda Node (17,117 Acres) and Srikalahasti-Yerpedu Node (24,191 Acres) are being developed. To facilitate easy transportation of cargo to and from Krishnapatnam port to these industrial nodes, Government will support private participation in the development of Multi modal logistics Park at Krishnapatnam Port.

Another Multimodal Logistics Park closer to Kakinada Port will also be promoted for development with private participation.

2.4. Developing Ware Housing Capacity

The State currently has only about 13.38 Lakh MT of warehousing capacity and the same will be augmented to 56 Lakh MT during the policy period to meet the growing demand, especially in Vijayawada, Kakinada, and Nellore. The policy encourages private participation to setup retail-linked warehouses with grading, sorting and packing facilities along with in-house testing labs, in the land available within existing Industrial parks.

2.5. Developing Cold Storage Chain

Andhra Pradesh also needs substantial expansion of cold storage infrastructure, which is critical for ensuring quality and maintaining shelf life of products. Currently, the State has Cold storage capacity of 15.67 Lakh MT Cold Storage. To meet the growing demand, more such facilities would be promoted for safe handling of exports through private participation and under Central assistance on Mission for Integrated Development of Horticulture (MIDH) scheme in consultation with Agriculture and Processed Food Products Export Development Authority (APEDA) & Marine Products Export Development Authority (MPEDA).

2.6. Inland Container Depots

To develop the required number of ICDs in PPP mode, in the State during the policy period as per the GoI guidelines to facilitate aggregation of freight from hinterland states along with the cargo from the surrounding districts

E-commerce players & Freight forwarders have strong network of warehouses, delivery agents and experience in delivering goods to remote places across the country. GoAP will facilitate creation of Common Processing Centers (CPC) to be operated as Hub and Spoke model near to Industrial Parks, outskirts of City centers to restrict entry of heavy consignments into the cities.

2.7. Free Trade Warehousing Zones (FTWZ):

To remove hindrances to trade caused by high tariffs and complex customs regulations, FTWZ are being promoted in the State in addition to the One FTWZ operational in Sricity, Chittoor.

2.8. Development of AP Gas Distribution Network.

Supply of Natural Gas plays very important role in the economic development as it provides opportunity for industrial development through green energy solutions.

1. **Kakinada – Srikakulam Pipeline (KSPL):** KSPL is a part of the National Natural Gas Grid which will provide significant part of clean energy requirements for power generation plant, fertilizer plants and city gas distribution (domestic and commercial) in the region with pipeline capacity of 99 MMSCMD.

Phase-1 (Kakinada-Vizag): 169 Km

Phase-2 (Vizag-Srikakulam): 102 Km

It will be further extended from Kakinada to Nellore and Nellore to Ennore (TN).

2. **City Gas Distribution (CGD):** Andhra Pradesh has already covered 11 out of 13 districts under the PNGRB authorized Geographical Areas (Gas). The balance two districts, Prakasam and Guntur shall also be included under the CGD network shortly. The CGD network will be critical cleaner and economical energy option for domestic gas and CNG stations.

3. **Regulatory framework and Digital Interventions**

1. **Logistics Ease**

At present there is no dedicated agency handling the regulatory requirements of the logistic sector. GoAP accords highest priority to improving 'Ease of Doing Business'. GoAP will also endeavor to streamline and simplify various laws and regulations and bring all approvals /clearances related to the logistic sector under EoDB for seamless facilitation for the Logistics Service Providers.

2. **Testing Faculties and Certifications**

- In the existing ICDs, office space will be provided for **Participating Government Agencies** (PGAs) to reduce the time for sample testing.
- The State machinery will assist MPEDA in onboarding all the fishing boat operators and implement the catch certificate to improve competitiveness of marine exports.
- Establish Aquatic Quarantine Lab facilities near Visakhapatnam and Kakinada Ports
- NABL accredited Quality Testing Labs/infrastructure facility will be strengthened by upgrading existing labs and by establishing new world class testing labs throughout the coastal areas on PPP mode.
- Government, in consultation with FSSAI, will also introduce 50 food safety on wheels (FSWs) to improve food testing infrastructure in remote areas.
- Government will pursue with Central Drugs Standard Control Organization (CDSCO) to bring Drug Testing Labs in Andhra Pradesh

3. **Technology Enablement**

- With a vision to better manage the movement of cargo containers and other freight handling heavy vehicles, integrating all the existing IT applications, a command and control center (ICCC) will be setup under the supervision of State Logistic Cell to reduce the number of Physical Checks, induce transparency, and for hassle-free movement of men and material

- The ICCC will be integrated with all the touch points of cargo containers such as Inland Container Depots (ICDs), Container Freight Stations (CFS), Port Area and Customs House, Truck Parking Bays, Check posts & Toll gates.
- For implementation of ICCC, all the heavy vehicles handling cargo operations along with the containers will be equipped with RFID tags and the driver of the vehicles be given smart cards called **Logistics Carrier Cards (LCC)**.

4. SKILL DEVELOPMENT

- 1) Logistic Sector offers huge employment opportunities and however there is dearth of skilled manpower to meet the growing training needs of the sector. AP Skill Development Corporation will identify the required skill sets of the logistic sector and ensure continuous supply of workforce by training them in the proposed Skill Universities and world class skill colleges
- 2) GoAP proposes to setup a start-up innovation fund of Rs 5 crs for supporting new players in the logistics and new technology; this will ensure faster technology adoption leading to reduced logistics costs and turnaround times.
- 3) To drive overall innovation and efficiency in logistics, GoAP plans to award contracts to young start-ups, which use latest technology to solve complex policy challenges in the logistics sector. Additionally, GoAP will also encourage start-ups, who are promoting the 'farm-to-plate' concept.
- 4) Students/ Research Institutes/ Industry Practitioners, on successful patent registration for original work/ research, shall be eligible for reimbursement of 75% of the amount spent on patent registration (subject to maximum of Rs 5 lakh for domestic patent and Rs 10 lakh for international patent).

4.4. FISCAL INCENTIVES

In order to increase Private Participation in the development of logistic infrastructure such as Warehouses, ICD, Cold Storages, FTZ, MMLPS etc, Government of Andhra Pradesh proposed to extend the following incentives /facilities

1. 5% of the area will be earmarked for development logistic facilities in upcoming Industrial Parks/Hubs.
2. All clearances /Approvals will be provided through Single Desk
3. The state accords the status of "Industry" to the Logistics and Warehousing Sector.
4. 100 % Stamp duty reimbursement on land registration.

5. Re-imbursement of 75% of the amount spent on patent registration limited to Rs 5 lakh for domestic and Rs 10 lakh for international patent.
6. All other incentives as per IDP 2020-23.

In case of Mega Projects with investment more than Rs.500 Crore or providing employment to more than 1000 people, which are strategic for development of logistic sector in the State, will be considered for Trailor-made incentives.

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP